

3 POWERFUL *FOREX* PRICE PATTERNS



PRICE ACTION Defined

To Interpret what the **OPEN**, **HIGH**, **LOW**, and **CLOSE** did on a Particular Bar and compare that criteria to the Previous Price Bar's Action, in order to make Intelligent Conclusions about the FOREX Markets.

BAR CHARTS (Vertical Bars) or CANDLESTICKS

RANGE: Confirms Momentum…………………………

RANGE

CLOSE: Confirms Price Action



PRICE ACTION ANALYSIS helps a Trader…

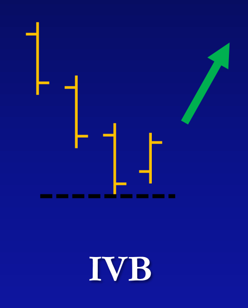
Identify insight into what the Market is likely going to do next.

3 Powerful BULLISH Price Patterns

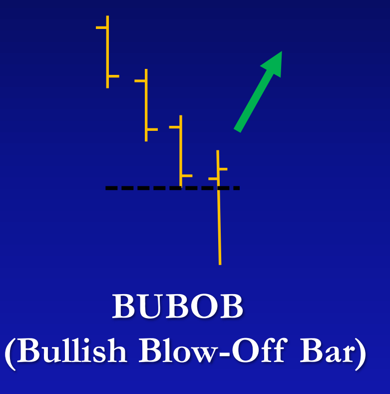
@ Logical SUPPORT LEVELS in an Established UP Trend



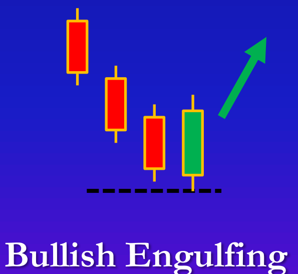
BUOVB
(Bullish OVB)



IVB



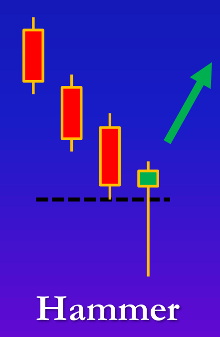
BUBOB
(Bullish Blow-Off Bar)



Bullish Engulfing



Bullish Harami



Hammer

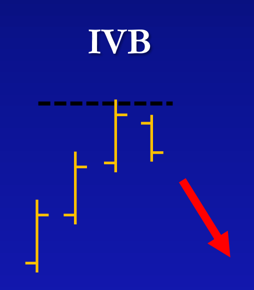
3 Powerful BEARISH Price Patterns

@ Logical RESISTANCE LEVELS in an Established DOWN Trend

(Bearish OVB)
BEOVB



IVB



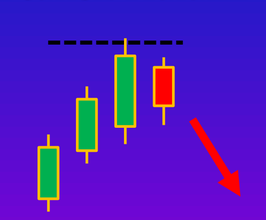
(Bearish Blow-Off Bar)
BEBOB



Bearish Engulfing



Bearish Harami



Shooting Star



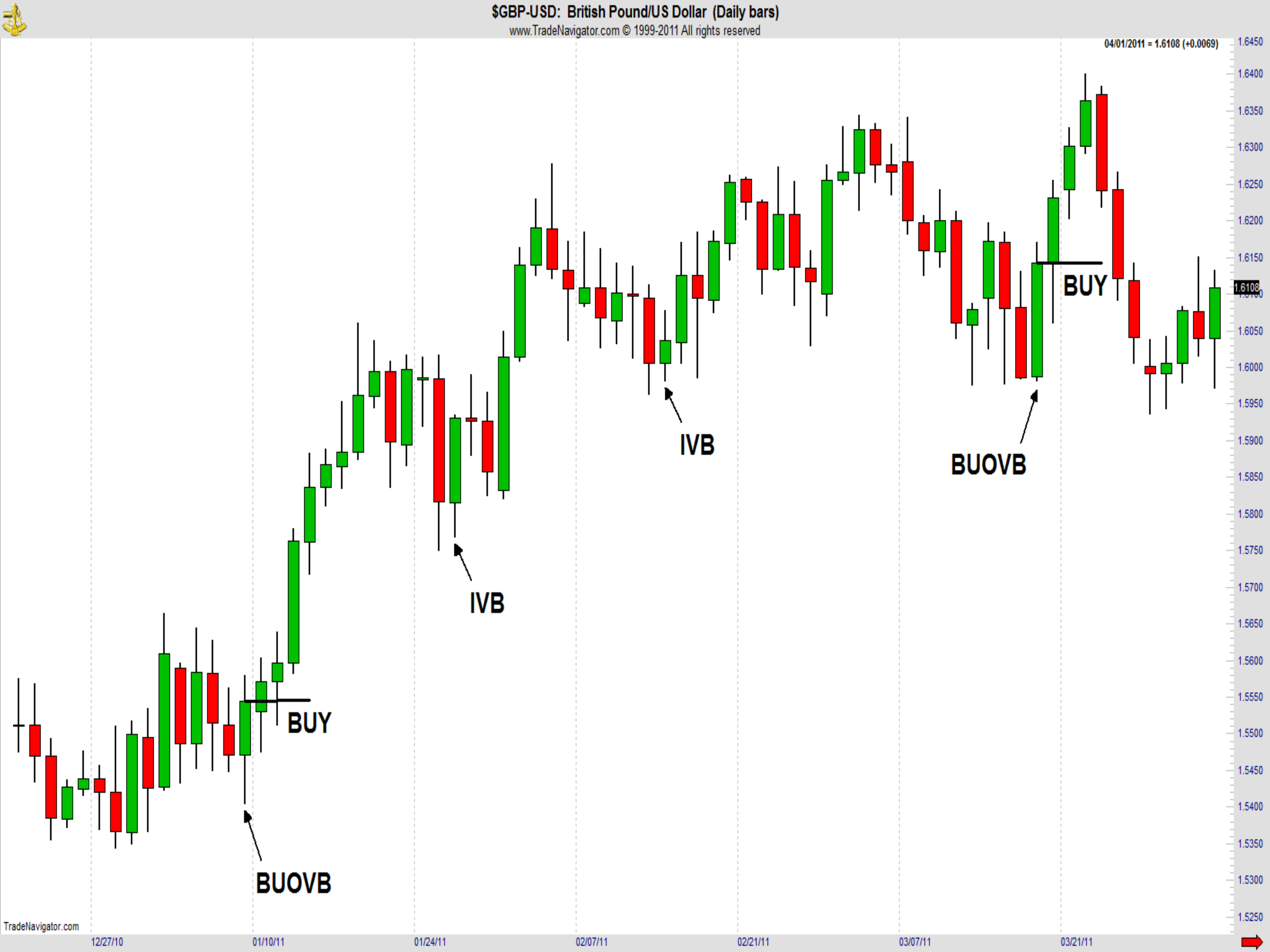
Bullish Outside Vertical Bar (BUOVB)

Bullish Outside Vertical Bar (BUOVB) / Bullish Engulfing

- The HIGH and LOW must exceed the Prior Bar's HIGH and LOW and the CLOSE must close in Top Quarter of the Bar's Range
- ONLY USED at Logical SUPPORT in an established UP Trend





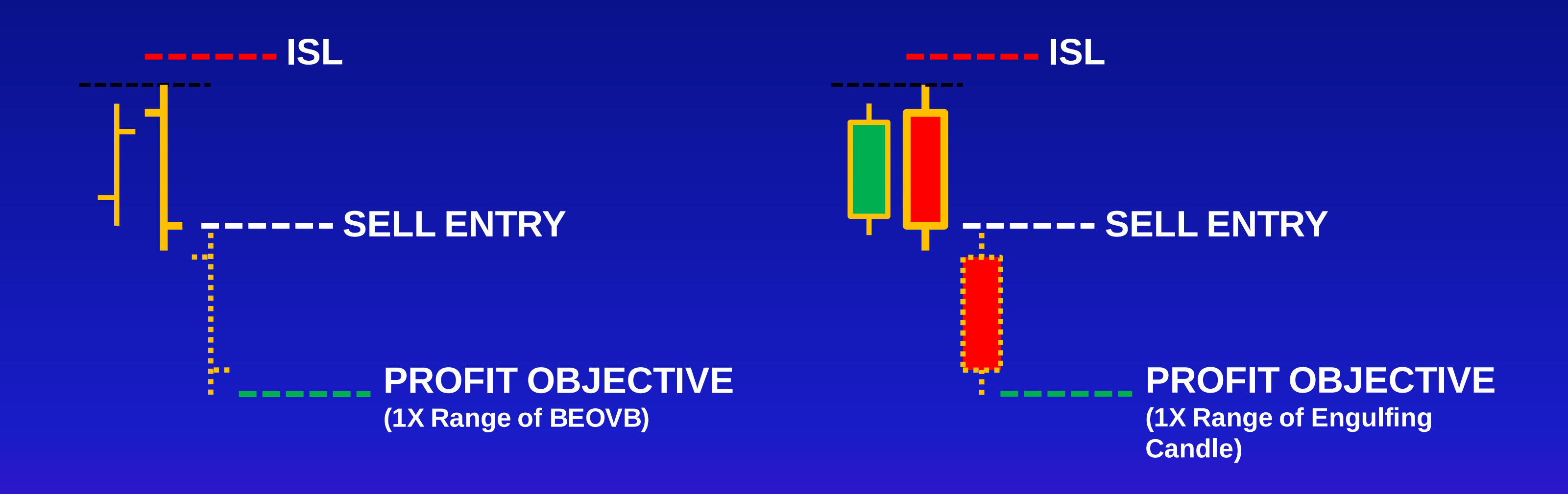


$GBP-USD: British Pound/US Dollar (Daily bars)
www.TradeNavigator.com © 1999-2011 All rights reserved
04/01/2011 = 1.6108 (+0.0069)
BUY
BUOVB
IVB
IVB
BUY
BUOVB
TradeNavigator.com
12/27/10
01/10/11
01/24/11
02/07/11
02/21/11
03/07/11
03/21/11
1.6450
1.6400
1.6350
1.6300
1.6250
1.6200
1.6150
1.6108
1.6050
1.6000
1.5950
1.5900
1.5850
1.5800
1.5750
1.5700
1.5650
1.5600
1.5550
1.5500
1.5450
1.5400
1.5350
1.5300
1.5250

Bearish Outside Vertical Bar (BEOVB)

Bearish Outside Vertical Bar (BEOVB) / Bearish Engulfing

- The LOW and HIGH must exceed the Prior Bar's LOW and HIGH and the CLOSE must close in Bottom Quarter of the Bar's Range
- ONLY USED at Logical RESISTANCE in an established DOWN Trend





$EUR-USD: Euro/US Dollar (240 minute bars)
www.TradeNavigator.com © 1999-2011 All rights reserved
8/5/11 14:00 = 1.4264 (+0.0172)
BEOVB
SELL
BEOVB
SELL
IVB
1.4580
1.4560
1.4540
1.4520
1.4500
1.4480
1.4460
1.4440
1.4420
1.4400
1.4380
1.4360
1.4340
1.4320
1.4300
1.4280
1.4264
1.4240
1.4220
1.4200
1.4180
1.4160
1.4140
1.4120
1.4100
1.4080
1.4060
1.4040
TradeNavigator.com
07/25/11
07/26/11
07/27/11
07/28/11
07/29/11
08/01/11
08/02/11
08/03/11
08/04/11
08/05/11

Inside Vertical Bar (IVB)

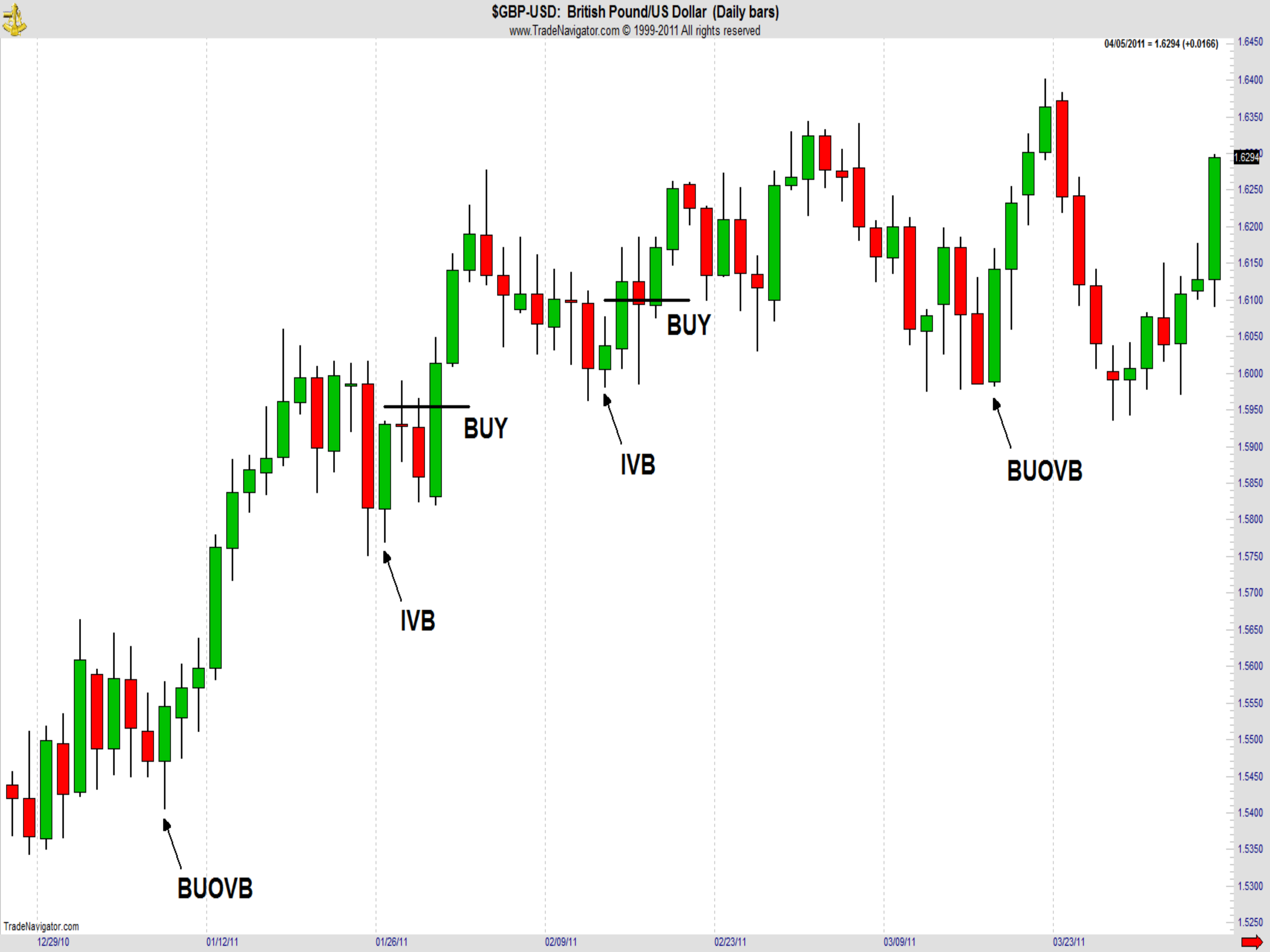
IVB @ Logical SUPPORT in an established UP Trend

- The HIGH and the LOW both must be Inside the Previous Bar's Range (the HIGH is Lower than the Previous Bar's HIGH and the LOW is Higher than the Previous Bar's LOW)
- ONLY USED at Logical SUPPORT in an established UP Trend
- It does NOT MATTER where the Bar Closes

Inside Vertical Bar (IVB) / Bullish Harami







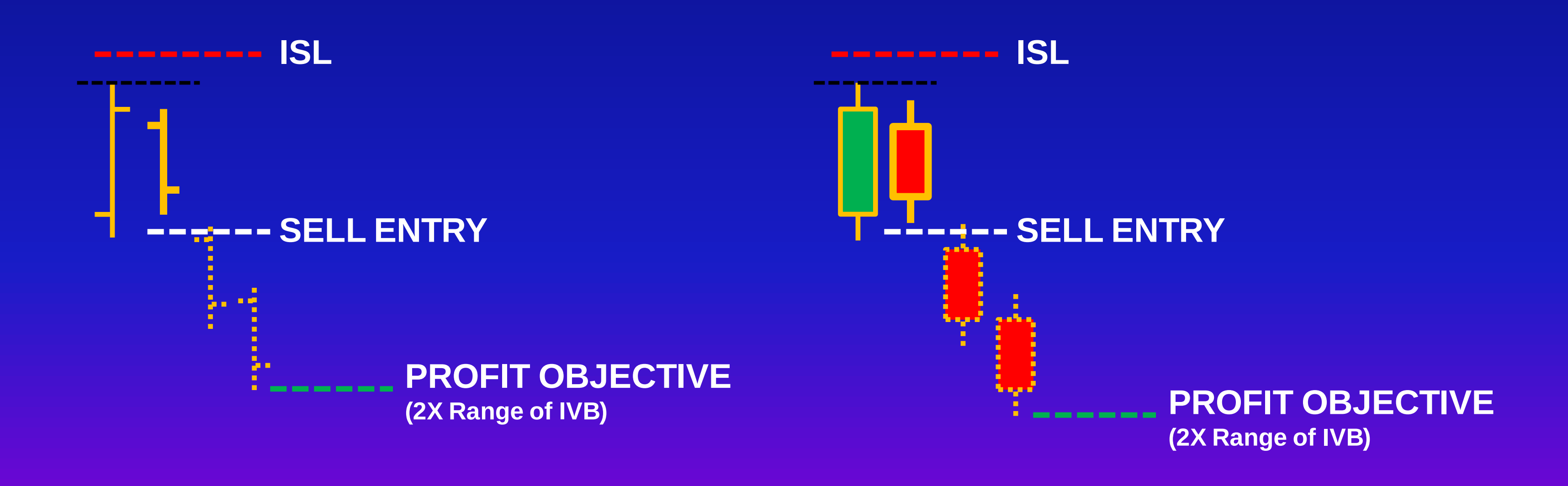
$GBP-USD: British Pound/US Dollar (Daily bars)
www.TradeNavigator.com © 1999-2011 All rights reserved
04/05/2011 = 1.6294 (+0.0166)
BUY
BUY
IVB
IVB
BUOVB
BUOVB
TradeNavigator.com
12/29/10
01/12/11
01/26/11
02/09/11
02/23/11
03/09/11
03/23/11
1.6450
1.6400
1.6350
1.6294
1.6250
1.6200
1.6150
1.6100
1.6050
1.6000
1.5950
1.5900
1.5850
1.5800
1.5750
1.5700
1.5650
1.5600
1.5550
1.5500
1.5450
1.5400
1.5350
1.5300
1.5250

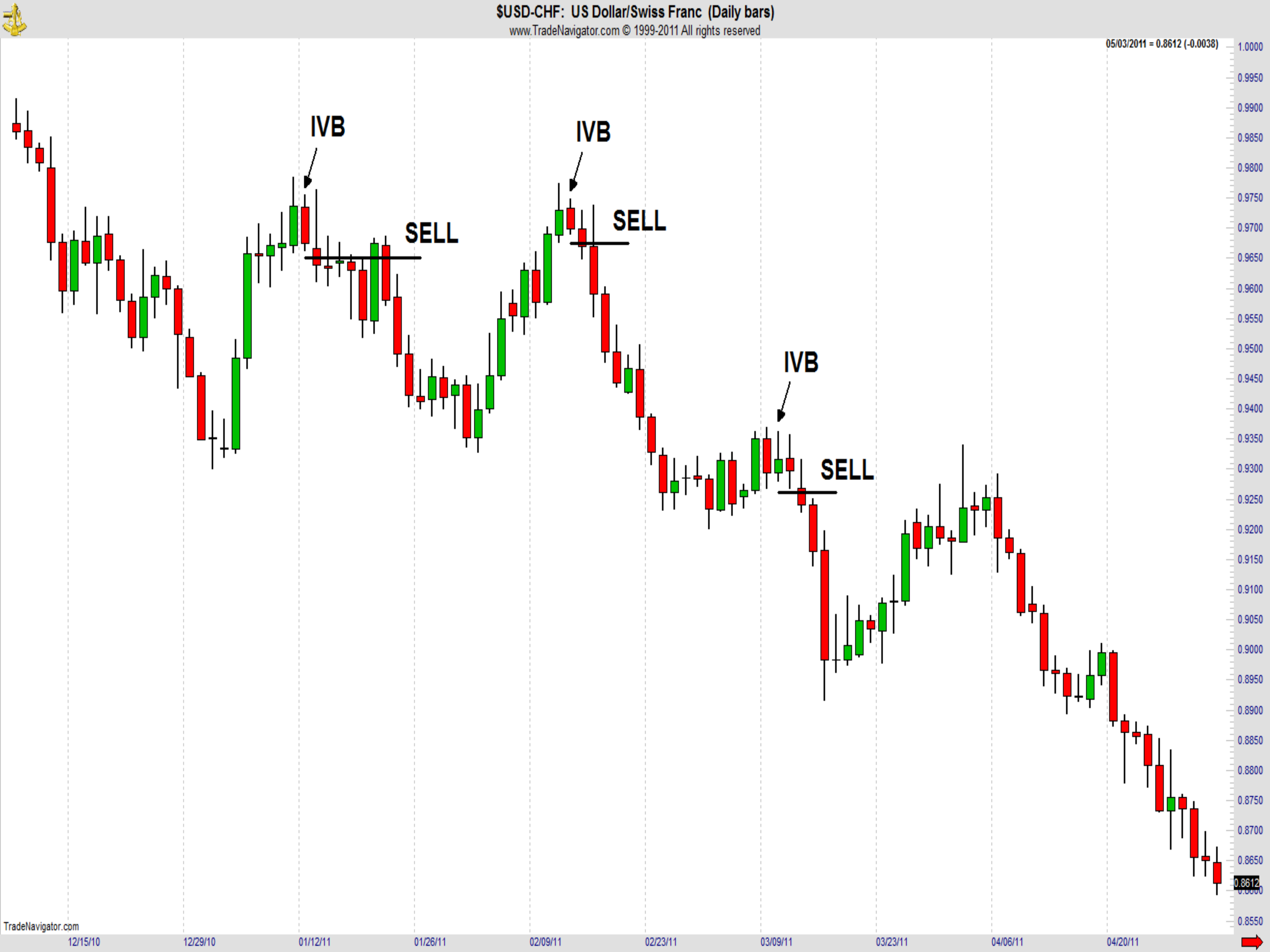
Inside Vertical Bar (IVB)

IVB @ Logical RESISTANCE in an established DOWN Trend

- The HIGH and the LOW both must be Inside the Previous Bar's Range (the HIGH is Lower than the Previous Bar's HIGH and the LOW is Higher than the Previous Bar's LOW)
- ONLY USED at Logical RESISTANCE in an established DOWN Trend
- It does NOT MATTER where the Bar Closes

Inside Vertical Bar (IVB) / Bearish Harami



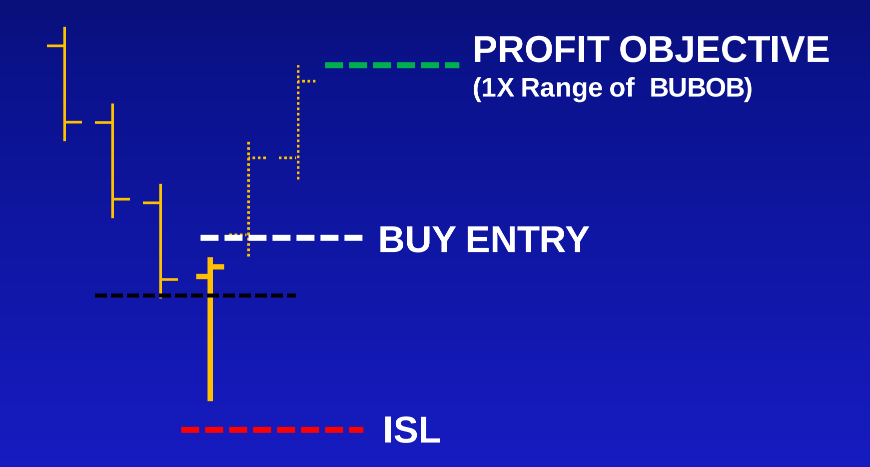


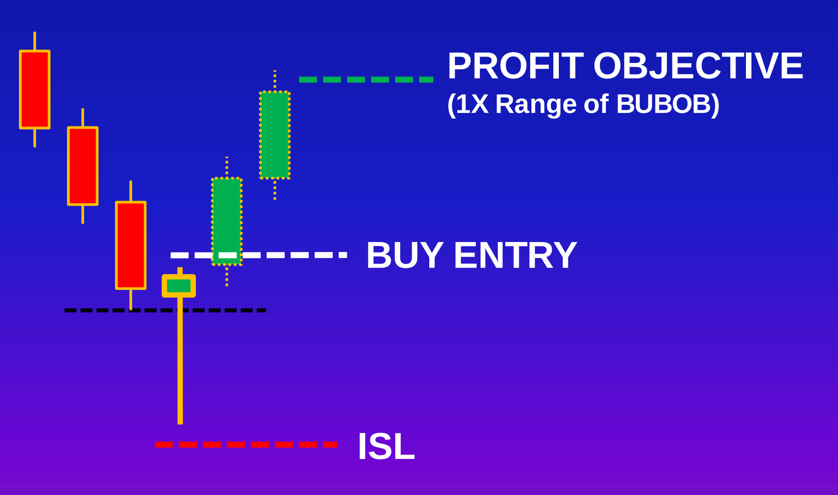
$USD-CHF: US Dollar/Swiss Franc (Daily bars)
www.TradeNavigator.com © 1999-2011 All rights reserved
05/03/2011 = 0.8612 (-0.0038)
IVB
SELL
IVB
SELL
IVB
SELL
1.0000
0.9950
0.9900
0.9850
0.9800
0.9750
0.9700
0.9650
0.9600
0.9550
0.9500
0.9450
0.9400
0.9350
0.9300
0.9250
0.9200
0.9150
0.9100
0.9050
0.9000
0.8950
0.8900
0.8850
0.8800
0.8750
0.8700
0.8650
0.8612
0.8550
TradeNavigator.com
12/15/10
12/29/10
01/12/11
01/26/11
02/09/11
02/23/11
03/09/11
03/23/11
04/06/11
04/20/11

Blow-Off Bar (BOB)

Bullish Blow-Off Bar (BUBOB) / Hammer

- The OPEN and CLOSE must be in the Top Quarter of the Bar's Range and the LOW of the Bar exceeds the Prior Bar's LOW with the Blow-Off Bar's Range about 125% Larger than the Prior 3 to 5 Bars
- ONLY USED at Logical SUPPORT in an established UP Trend





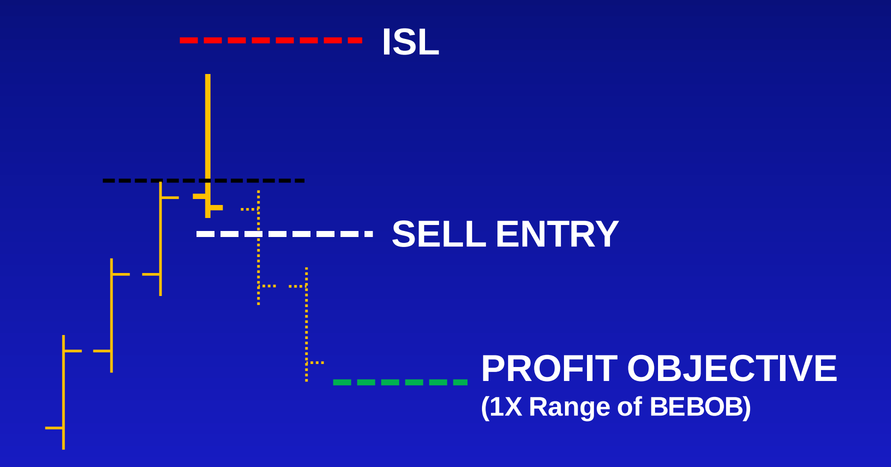


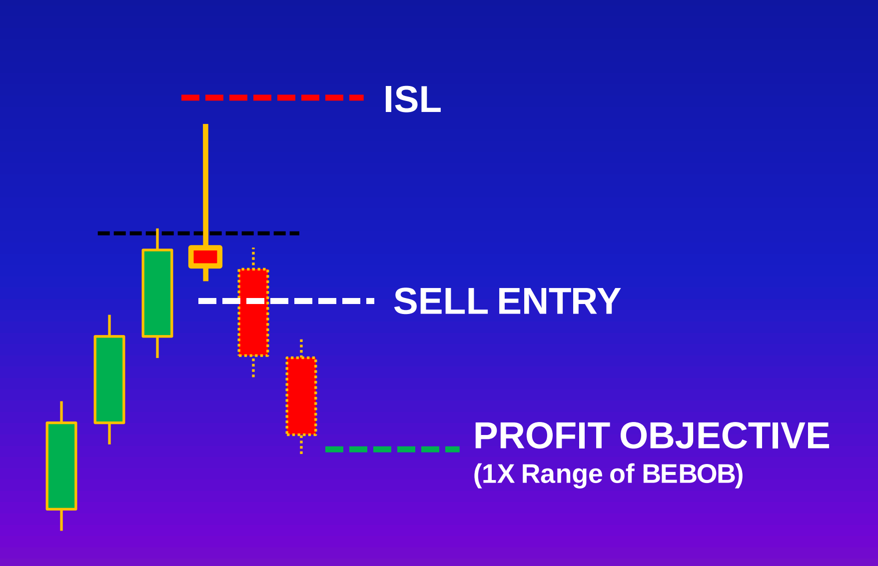
$GBP-USD: British Pound/US Dollar (240 minute bars)
www.TradeNavigator.com © 1999-2011 All rights reserved
8/24/11 06:00 = 1.6520 (+0.0028)
BUY
BUBOB
BUOVB
BUOVB
TradeNavigator.com
08/11/11
08/12/11
08/15/11
08/16/11
08/17/11
08/18/11
08/19/11
08/22/11
08/23/11
08/24/11
1.6640
1.6620
1.6600
1.6580
1.6560
1.6540
1.6520
1.6500
1.6480
1.6460
1.6440
1.6420
1.6400
1.6380
1.6360
1.6340
1.6320
1.6300
1.6280
1.6260
1.6240
1.6220
1.6200
1.6180
1.6160
1.6140
1.6120
1.6100
1.6080
1.6060
1.6040

Blow-Off Bar (BOB)

Bearish Blow-Off Bar (BEBOB) / Shooting Star

- The OPEN and CLOSE must be in the Bottom Quarter of the Bar's Range and the HIGH of the Bar exceeds the Prior Bar's HIGH with the Blow-Off Bar's Range about 125% Larger than the Prior 3 to 5 Bars
- ONLY USED at Logical RESISTANCE in an established DOWN Trend





$GBP-USD: British Pound/US Dollar (30 minute bars)

9/6/11 14:30 = 1.5955 (-0.0155)

BEBOB

SELL

1.6240
1.6220
1.6200
1.6180
1.6160
1.6140
1.6120
1.6100
1.6080
1.6060
1.6040
1.6020
1.6000
1.5980
1.5960
1.5955
1.5940
1.5920

TradeNavigator.com

09/04/11 09/05/11

09/06/11

The BUY "OVB (Outside Vertical Bar) Strategy"

An Entry based on the Creation of an OVB

Criteria:

- The Market MUST:
  1. Be Trading at Logical SUPPORT in an established UP Trend
  2. Penetrate Down thru the Previous Bar's LOW First
  3. Reverse to the Upside off of the Current Bar's LOW and Penetrate Up thru the Previous Bar's HIGH thereby creating a BUOVB

BUY the Market when the HIGH of the Previous Bar is Penetrated to the Upside



$NZD-USD: New Zealand Dollar/US Dollar (240 minute bars)

6/2/11 10:00 = 0.8141 (+0.0004)

BUY

(on Creation of OVB)

BUOVB

0.8260
0.8240
0.8220
0.8200
0.8180
0.8160
0.8141
0.8120
0.8100
0.8080
0.8060
0.8040
0.8020
0.8000
0.7980
0.7960
0.7940
0.7920
0.7900
0.7880
0.7860
0.7840
0.7820
0.7800
0.7780
0.7760

05/18/11 05/19/11 05/20/11 05/23/11 05/24/11 05/25/11 05/26/11 05/27/11 05/30/11 05/31/11 06/01/11 06/02/11

The SELL "OVB (Outside Vertical Bar) Strategy"

An Entry based on the Creation of an OVB

Criteria:

- The Market MUST:
  1. Be Trading at Logical RESISTANCE in an established DOWN Trend
  2. Penetrate Up thru the Previous Bar's HIGH First
  3. Reverse to the Downside off of the Current Bar's HIGH and Penetrate Down thru the Previous Bar's LOW thereby creating a BEOVB

SELL the Market when the LOW of the Previous Bar is Penetrated to the Downside



$AUD-USD: Australian Dollar/US Dollar (240 minute bars)

9/19/11 22:00 = 1.0222 (+0.0010)

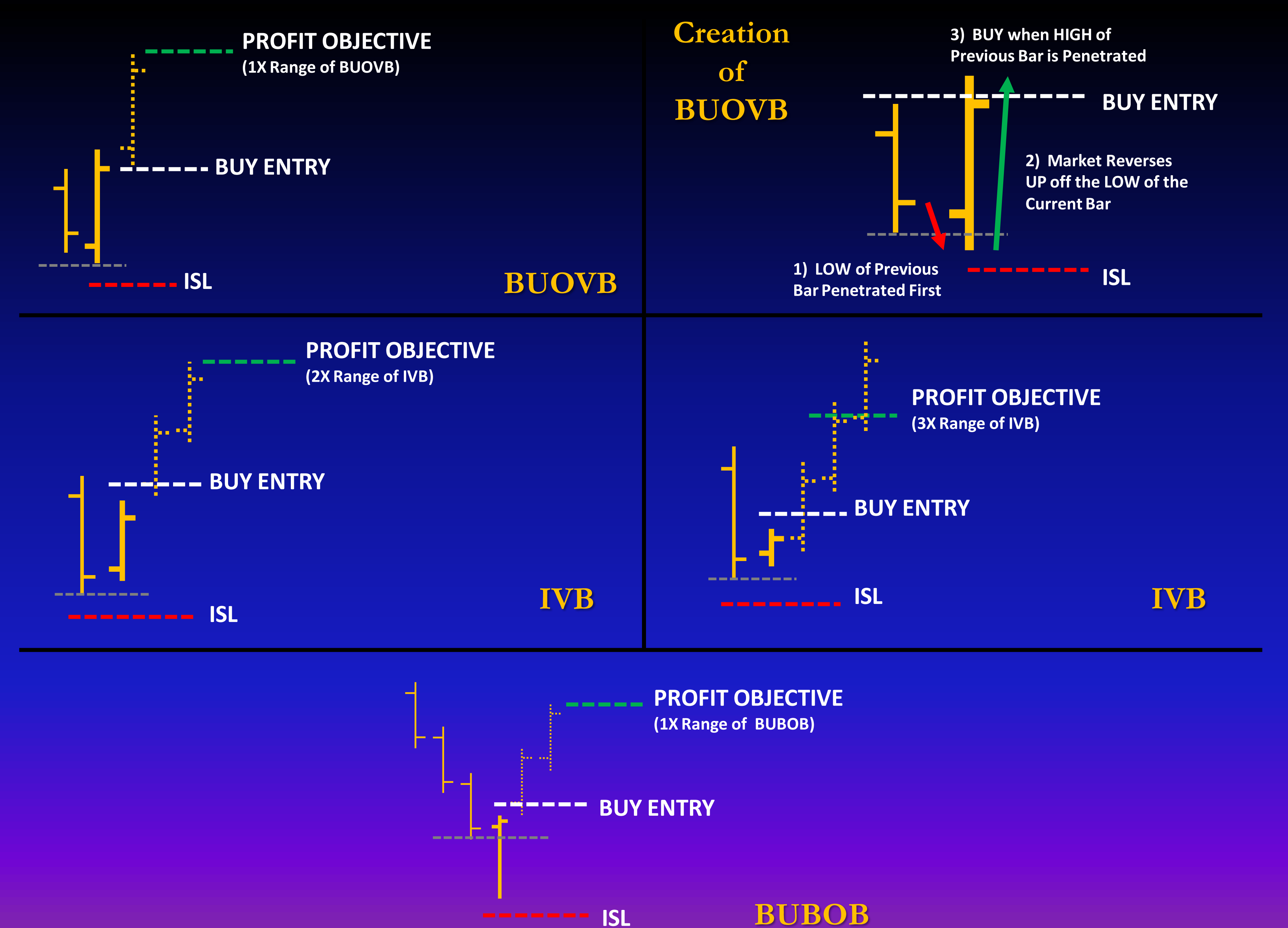
BEOVB

SELL

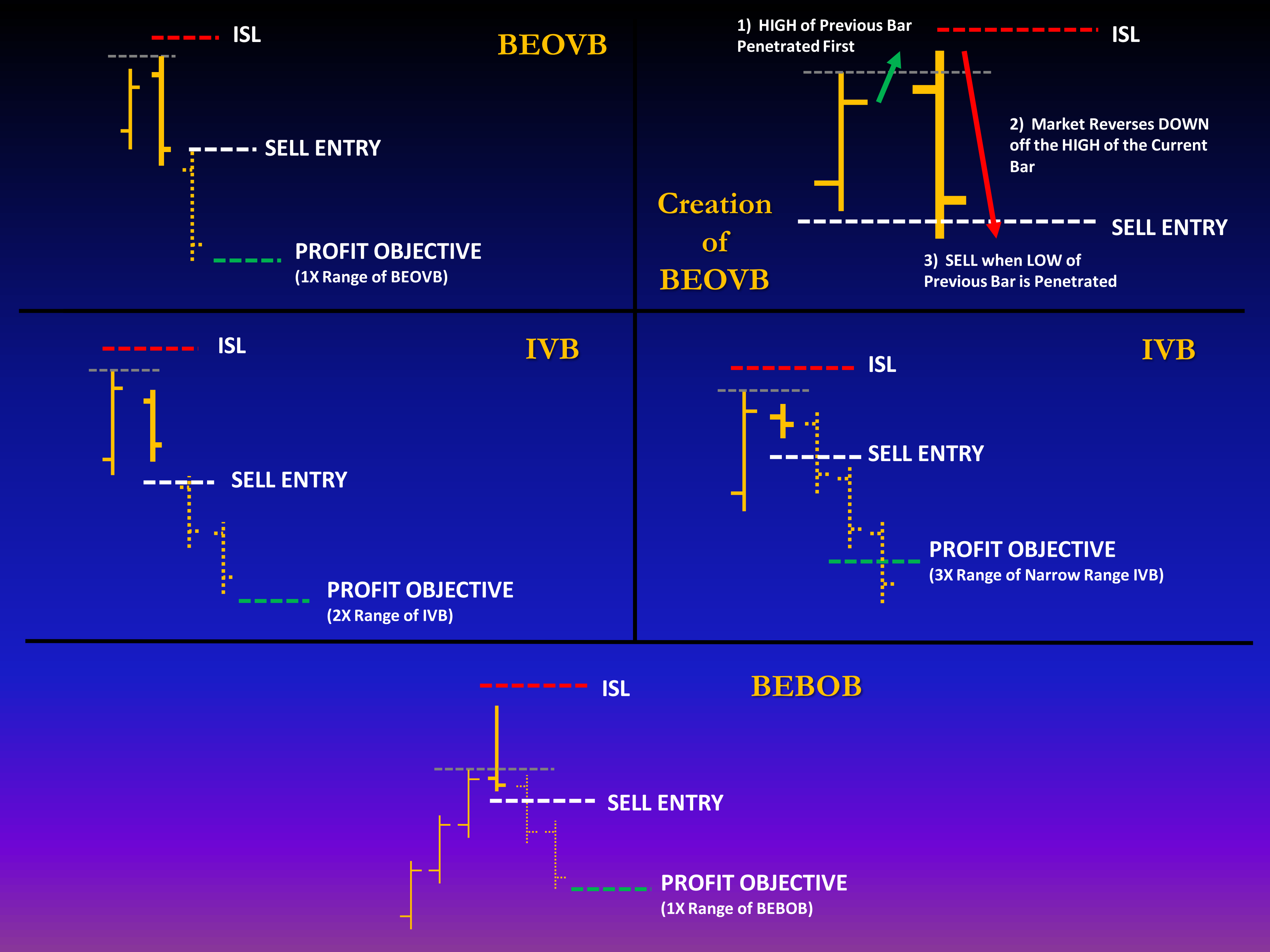
(on Creation of OVB)

1.0760
1.0740
1.0720
1.0700
1.0680
1.0660
1.0640
1.0620
1.0600
1.0580
1.0560
1.0540
1.0520
1.0500
1.0480
1.0460
1.0440
1.0420
1.0400
1.0380
1.0360
1.0340
1.0320
1.0300
1.0280
1.0260
1.0240
1.0222
1.0200
1.0180
1.0160

09/02/11 09/05/11 09/06/11 09/07/11 09/08/11 09/09/11 09/12/11 09/13/11 09/14/11 09/15/11 09/16/11 09/19/11 09/20/11



PROFIT OBJECTIVE
(1X Range of BUOVB)
BUY ENTRY
ISL
BUOVB
Creation of BUOVB
3) BUY when HIGH of Previous Bar is Penetrated
BUY ENTRY
2) Market Reverses UP off the LOW of the Current Bar
1) LOW of Previous Bar Penetrated First
ISL
PROFIT OBJECTIVE
(2X Range of IVB)
BUY ENTRY
ISL
IVB
PROFIT OBJECTIVE
(3X Range of IVB)
BUY ENTRY
ISL
IVB
PROFIT OBJECTIVE
(1X Range of BUBOB)
BUY ENTRY
ISL
BUBOB



BEOVB
ISL
SELL ENTRY
PROFIT OBJECTIVE
(1X Range of BEOVB)
1) HIGH of Previous Bar Penetrated First
ISL
2) Market Reverses DOWN off the HIGH of the Current Bar
Creation of BEOVB
SELL ENTRY
3) SELL when LOW of Previous Bar is Penetrated
ISL
IVB
SELL ENTRY
PROFIT OBJECTIVE
(2X Range of IVB)
IVB
ISL
SELL ENTRY
PROFIT OBJECTIVE
(3X Range of Narrow Range IVB)
ISL
BEBOB
SELL ENTRY
PROFIT OBJECTIVE
(1X Range of BEBOB)